



Development of Amendments to Rules Concerning Volatile Organic Compounds for Automobile Refinishing Operations in Indiana

LSA Document #06-603

Overview

This rulemaking proposes to amend 326 IAC 8-10 and repeal 326 IAC 8-10-8. The rulemaking proposes to extend Indiana's current automobile refinishing rule statewide and remove obsolete rule language.

Citations Affected

Amends 326 IAC 8-10. Repeals 326 IAC 8-10-8.

Affected Persons

Notification of this rulemaking has been sent to all affected parties identified during the course of this rulemaking.

Reasons for the Rule

The amendments to Indiana's automobile refinishing rule, 326 IAC 8-10, are one of a suite of measures suggested by the Lake Michigan Air Directors Consortium (LADCO) to reduce volatile organic compounds (VOC) emissions and Indiana's contribution to ozone formation in the upper Midwest and eastern United States.

Economic Impact of the Rule

IDEM anticipates the economic impact of this rulemaking to be minimal on the regulated community. Automobile refinishers in Indiana must comply with the existing federal VOC limits for coatings or surface preparation products. Additionally, most automobile refinishers already use the work practices in the existing Indiana rule.

Benefits of the Rule

The amendments to 326 IAC 8-10 extend the applicability of the existing automobile refinishing rule to all automobile refinishing operations in Indiana and repeal an obsolete control option at 326 IAC 8-10-8. The existing rule applies to operations in Clark, Floyd, Lake, Porter and Vanderburgh counties. The amendments to 326 IAC 8-10 are expected to improve Indiana and regional air quality. This will provide a margin of safety between

current air quality and the current 8-hour ozone standard, help prevent future nonattainment designations and reduce the likelihood of the need to impose more costly emission reduction measures in the future.

Description of the Rulemaking Project

In the April 30, 2004, Federal Register (69 FR 23858), the U.S.EPA designated 23 Indiana counties as nonattainment for the 8-hour ozone standard. Since that time, all monitoring locations in Indiana have met the 8-hour ozone standard and 21 of those counties have been redesignated to attainment. While all monitored portions of Indiana have attained the current 8-hour ozone standard, it is prudent for Indiana to consider implementing additional cost-effective measures to reduce emissions that contribute to the formation of ozone. The reasons for considering additional reductions include the narrow margin between Indiana's current air quality and the new lower 8-hour ozone standard of 0.075 parts per million (ppm) that the U.S. EPA issued on March 12, 2008, and the concerns expressed by other states that emissions from Indiana are contributing to their inability to attain the standard.

Because VOCs contribute to the formation of ozone, it is important to control VOCs in order to comply with the 8-hour ozone standard. In an effort to assist states in the Midwest Regional Planning Organization (MRPO), the Lake Michigan Air Directors Consortium (LADCO) has been working with states to identify and recommend regional control measures that would help states achieve attainment for the 8-hour ozone standard. The MRPO includes Illinois, Indiana, Michigan, Ohio, and Wisconsin. Indiana has been working with the other MRPO states on a suite of measures provided by LADCO to be considered by each of these states to reduce their mutual contribution to ozone formation in the upper Midwest and eastern United States. This rulemaking regarding regulation of VOCs from automotive refinishing is one of

LADCO's proposed measures.

Automobile refinishing includes the application of coatings subsequent to original equipment manufacture. Vehicles included in this category are passenger cars, trucks, vans, motorcycles, and other mobile equipment capable of being driven or drawn on the highway. The steps involved in automobile refinishing include surface preparation, surface painting, and equipment cleaning. Emissions occur at all of these stages due to evaporation of the solvents in the primers, paints and other coatings, and in the cleaning solutions. The automobile refinishing rule at 326 IAC 8-10 affects automobile refinishing operations performed in the following types of shops: auto body and repair shops; new car dealer repair and paint shops; fleet operator repair and paint shops; and any other facility that coats vehicles under Standard Industrial Classification (SIC) Code 7532, as well as manufacturers and distributors of automobile refinishing coatings. Besides VOC content limits, 326 IAC 8-10 also includes work practice standards and training requirements.

Indiana's existing automobile refinishing rule at 326 IAC 8-10 was promulgated in 1995, approximately three years before the federal automobile refinishing rule became effective. Indiana was required to meet the 1990 Clean Air Act "15% plan" requirements by November 15, 1996. The rule was based on Option 1 in the April 1994 automobile refinishing Alternative Control Technology (ACT) document issued by the U.S. EPA. Indiana's current automobile refinishing rule applies to Clark, Floyd, Lake, and Porter counties. Certain portions of the existing rule apply in Vanderburgh county. Clark, Floyd, Lake and Porter counties had been 1-hour ozone nonattainment areas and the rule was promulgated to assist bringing these counties into attainment. Owners or operators of a refinishing facility subject to 326 IAC 8-10 have the option of limiting emissions of VOCs from refinishing operations by one of the following means: (1) by using coatings or surface preparation products that meet the VOC content limits in 326 IAC 8-10-4; (2) by employing a control system; or (3) by using a combination of coatings and control system measures.

The federal automobile refinishing rule, 40 CFR 59, Subpart B, National Volatile Organic Compound Emission Standards for Automobile Refinish Coatings, became effective on September 11, 1998 (63 FR 48806). Under the federal rule, automobile refinishing coatings and coating components sold or distributed in the United States after January 11,

1999, are subject to federal requirements. The federal rule provides VOC content limits that are identical to current VOC limits at 326 IAC 8-10-4 for automobile refinish coatings, container labeling requirements, methods to determine compliance with emission limits, and reporting requirements for the manufacturers and importers of automobile refinish coatings or coating components. Since all automobile refinishing coatings or surface preparation products must comply with the federal rule, current state rule language that provides an option to limit VOC emissions from coatings or surface preparation products using a control device is now obsolete.

Extending the existing state rule to the entire state would require work practice standards for operations not currently covered by the state rule. LADCO estimates that extending the existing Indiana automobile refinishing rule to the entire state will reduce VOCs by approximately 25% from 2002 actual emissions or 2,528 tons per year. A review of data specific to Indiana indicates a reduction of approximately 9% beyond the reductions from the federal rule is more realistic. However, an informal survey of automobile refinishing operations in Central Indiana conducted by IDEM in 2005 showed that high-volume low-pressure (HVLP) equipment is already in use by most operations because of the increased efficiency, safety, and overall cost savings of using the newer technology. The operations contacted have also already implemented improved work practices.

IDEM is proposing to repeal the control device option at 326 IAC 8-10-8 and any additional language in 326 IAC 8-10 regarding control system operation, maintenance, and monitoring.

Scheduled Hearings

First Public Hearing: October 1, 2008 at 1:00 pm at the Indiana Government Center-South, 402 West Washington Street, Conference Room A, Indianapolis, Indiana.

Second Public Hearing: Tentatively scheduled for December 3, 2008.

Consideration of Factors Outlined in Indiana Code 13-14-8-4

Indiana Code 13-14-8-4 requires that in adopting rules and establishing standards, the board shall take into account the following:

- (1) All existing physical conditions and the character of the area affected.
- (2) Past, present, and probable future uses of the area, including the character of the uses of surrounding areas.

- (3) Zoning classifications.
- (4) The nature of the existing air quality or existing water quality, as appropriate.
- (5) Technical feasibility, including the quality conditions that could reasonably be achieved through coordinated control of all factors affecting the quality.
- (6) Economic reasonableness of measuring or reducing any particular type of pollution.
- (7) The right of all persons to an environment sufficiently uncontaminated as not to be injurious to:
 - (A) human, plant, animal, or aquatic life; or
 - (B) the reasonable enjoyment of life and property.

Consistency with Federal Requirements

The amended rule is consistent with the federal rules and guidance. However, this rulemaking extends work practice standards statewide that are not included in the federal rule.

Rulemaking Process

The first step in the rulemaking process is a first notice published in the *Indiana Register*. This includes a discussion of issues and opens a first comment period. The second notice is then published which contains the comments and the departments responses from the first comment period, a notice of first meeting/hearing, and the draft rule. The Air Pollution Control Board holds the first meeting/hearing and public comments are heard. The proposed rule is published in the *Indiana Register* after preliminary adoption along with a notice of second meeting/hearing. If the proposed rule is substantively different from the draft rule, a third comment period is required. The second public meeting/hearing is held and public comments are heard. Once final adoption occurs, the rule is reviewed for form and legality by the Attorney General, signed by the Governor, and becomes effective 30 days after filing with the Legislative Services.

IDEM Contact

Additional information regarding this rulemaking action can be obtained from Amy Smith, Rule Development Section, Office of Air Quality, (317) 233-8628, (800) 451-6027 (in Indiana), or asmith@idem.in.gov.